



THE RHODE ISLAND DEPARTMENT OF HUMAN SERVICES



March 27, 2009

Dear Provider,

The Health and Human Service (HHS) Office of Inspector General (HHS-OIG) excludes individuals and entities from participation in Medicare, Medicaid, the State Children's Health Insurance Program (SCHIP), and all Federal health care programs based on the authority contained in various sections of the Social Security Act. The State of Rhode Island is obligated to direct Medicaid providers to screen their own employees and contractors for excluded persons.

When the HHS-OIG has excluded a provider, Federal health care programs (including Medicaid and SCHIP programs) are generally prohibited from paying for any items or services furnished, ordered, or prescribed by excluded individuals or entities. This payment ban applies to any items or services reimbursable under a Medicaid program that are furnished by an excluded individual or entity, and extends to:

- all methods of reimbursement, whether payment results from itemized claims, cost reports, fee schedules, or a prospective payment system;
- payment for administrative and management services not directly related to patient care, but that are a necessary component of providing items and services to Medicaid recipients, when those payments are reported on a cost report or are otherwise payable by the Medicaid program; and
- payment to cover an excluded individual's salary, expenses or fringe benefits, regardless of whether they provide direct patient care, when those payments are reported on a cost report or are otherwise payable by the Medicaid program.

In addition, no Medicaid payments can be made for any items or services directed or prescribed by an excluded physician or other authorized person when the individual or entity furnishing the services either knew or should have known of the exclusion. This prohibition applies even when the Medicaid payment itself is made to another provider, practitioner or supplier that is not excluded.

All providers in the Medicaid program must take the following steps to determine whether their employees and contractors are excluded individuals or entities:

- Prior to employment, screen all employees and contractors to determine whether any of them have been excluded.
- Search the HHS-OIG website by the names of any individual or entity (the HHS-OIG maintains the LEIE, a database accessible to the general public that provides information about parties excluded from participation in Medicare, Medicaid, and all other Federal health care programs. The LEIE website is located at <http://www.oig.hhs.gov/fraud/exclusions.asp>).
- Search the HHS-OIG website monthly to capture exclusions and reinstatements that have occurred since the last search.
- Immediately report to the Rhode Island Department of Human Services any exclusion information discovered.

Civil monetary penalties may be imposed against Medicaid providers who employ or enter into contracts with excluded individuals or entities to provide items or services to Medicaid recipients.

Federal health care programs, including Medicaid, are generally prohibited from paying for any items or services furnished, ordered, or prescribed by excluded individuals or entities. The amount of the Medicaid overpayment for such items or services is the actual amount of Medicaid dollars that were expended for those items or services. When Medicaid funds have been expended to pay an excluded individual's salary, expenses, or fringe benefits, the amount of the overpayment is the amount of those expended Medicaid funds.

We know you share our commitment to combating fraud and abuse. If we strengthen our efforts to identify excluded parties, the integrity and quality of the Medicaid program will be improved, benefiting Medicaid recipients and taxpayers across the country.

Sincerely,

Ralph Racca
Center for Medicaid Operations and Payment
State of Rhode Island Department of Human Services